Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

SECRET

PAGE 01 SAN SA 01192 252157Z

64
ACTION PM-07

INFO OCT-01 ARA-16 ISO-00 AID-20 IGA-02 CIAE-00 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 EB-11 COME-00 ACDA-19 MC-02 OMB-01

TRSE-00 EA-11 DRC-01 /158 W
---------- 083187
R 252115Z MAR 74
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 5069
DOD WASHDC
JCS WASHDC
INFO USCINCSO QUARRY HTS CZ

S E C R E T SAN SALVADOR 1192

E.O. 11652 - GDS
TAGS: MASS
SUBJECT: SECURITY ASSISTANCE OBJECTIVES AND GUIDELINES

REF: STATE 31505

USCINCSO FOR POLAD

DEPT ALSO PASS AID

1. IN ACCORDANCE WITH REFTEL, I HAVE AGAIN REVIEWED THE SECURITY ASSISTANCE PROGRAM OBJECTIVES AS OUTLINED IN THE 1976-80 POM AND IN THE FY 1975-76 CASP FOR EL SALVADOR. AS DISCUSSED IN BOTH DOCUMENTS, THE NEED FOR A MODEST SECURITY ASSISTANCE PROGRAM CONTINUES TO BE JUSTIFIED ON POLITICAL GROUNDS. THE SALVADORAN MILITARY WILL REMAIN A MAJOR FACTOR IN THE DOMESTIC POLITICAL EQUATION FOR THE FORESEEABLE FUTURE AND TECHNICAL AND FMS CREDIT ASSISTANCE THROUGH OUR MILITARY MISSION WILL BE THE PRINCIPAL MEANS OF MAINTAINING ACCESS TO AND STRENGTHEN OUR RELATIONSHIPS WITH THIS IMPORTANT INSTITUTION. I BELIEVE THE PROJECTED MIX OF ASSISTANCE BETWEEN TRAINING AND SALES TO BE
SECRET

SECRET

PAGE 02 SAN SA 01192 252157Z

REASONABLE AND TAILORED TO THE ABSORPTIVE CAPACITY OF THE GOES.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

US ASSISTANCE TO THE MILITARY HAS BEEN EFFECTIVE IN FURTHERING
OUR INTERESTS; A CONTINUED SMALL SCALE SALES/TRAINING PROGRAM
OVER THE POM TIME FRAME WILL CONTINUE TO ENABLE US TO DO SO.

2. FOREIGN PUBLIC ECONOMIC ASSISTANCE FOR EL SALVADOR DURING
THE PERIOD FY 1976-80 SHOULD AVERAGE ABOUT $30 MILLION A YEAR.
OF THIS, WE BELIEVE USG (AID) TRANSFERS WILL ACCOUNT FOR
ABOUT $4 MILLION; THOSE FROM THIRD COUNTRIES, EXCEPT JAPAN,
WILL BE INSIGINIFICANT AND WILL CONSIST CHIEFLY OF TECHNICAL
ASSISTANCE. THE BALANCE WILL COME FROM INTERNATIONAL FINANCIAL
INSTITUTIONS, E.G. IDB, CABEI, WORLD BANK, ETC. WHETHER OR
NOT JAPANESE ASSISTANCE BECOMES A SIGNIFICANT FACTOR DEPENDS
ON THE FATE OF THE PROPOSED COMALAPA INTERNATIONAL JETPORT
FOR WHICH THE GOES IS CURRENTLY REQUESTING LOW-INTEREST
GOJ FINANCING OF UP TO $24 MILLION. REGARDING THIRD
COUNTRY MILITARY ASSISTANCE, IT IS POSSIBLE THAT THE GOES
WILL TURN ON OCCASIONS TO THIRD COUNTRY SOURCES OF SUPPLY
IF THEY OFFER PREFERENTIAL TERMS, SUCH AS ISRAEL APPARENTLY
ACCORDED THE GOES IN THE RECENT SALES OF TRAINING, COMBAT AND
TRANSPORT AIRCRAFT. HOWEVER, WEBELIEVE THAT SUCH TRANSACTIONS
WILL BE FAIRLY MODEST.

3. THE ESTIMATED $30 MILLION ANNUAL RATE OF FOREIGN ECONOMIC
ASSISTANCE REPRESENTS AN APPROXIMATE 50 PERCENT INCREASE OVER
THE ANNUAL DRAWINGS DURING THE 1970-72 PERIOD. HOWEVER, SINCE
THE GOES CURRENT FIVE YEAR PLAN ASSUMES 54 PERCENT OF FOREIGN
PUBLIC FINANCING, AND ITS PUBLIC INVESTMENT BUDGETS THROUGH
FY 1978 AVERAGE $70 MILLION 1972 DOLLARS, WE BELIEVE IT IS
A REALISTIC ESTIMATE. ONLY THE GOES' FAILURE TO ADJUST TO THE
HIGHER PETROLEUM IMPORT BILL COULD, IN OUR VIEW, JEOPARDIZE
THE EXTERNAL ACCOUNT IN THE PLANNING PERIOD. HOWEVER, FROM
THE CURRENT EXTERNAL DEBT SERVICE RATIO (IN PERCENT) OF SOME
3.0 AND TOTAL PUBLIC DEBT TO GDP RATIO OF SOME 15.0 THERE IS NO
REASON FOR CONCERN THAT THESE DISBURSEMENT RATES WILL BE
EXCESSIVE TO ABSORPTIVE AND REPAYMENT ABILITIES. NEITHER
IS IT THE LEVEL THAT, ISOLATED FROM OTHER FACTORS, WOULD RESULT
IN SIGNIFICANT INCREMENTAL INFLATIONARY RATES. EVEN IF THE GOES
ACTUALLY USES ALL OF THE FMS CREDIT PROJECTED THROUGH
1979 (MAXIMUM TOTALLING $8 MILLION), REPAYMENT SHOULD NOT
OVERLY BURDEN ITS DEBT SERVICING CAPABILITIES.
SECRET

SECRET

MOSKOWITZ

SECRET

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, AMITY, ECONOMIC ASSISTANCE, MILITARY POLICIES, MILITARY CREDIT, MILITARY SALES, POLITICAL SITUATION, FIVE YEAR PLAN
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANSA01192
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740064-0315
From: SAN SALVADOR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740317/aaaaaqdm.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: STATE 31505
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <03 JAN 2003 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECURITY ASSISTANCE OBJECTIVES AND GUIDELINES
TAGS: MASS, JA, AID, IDB, IBRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005